

TDX Manley Generating, LLC.
Cost of Power Adjustment (COPA)/ Small Facility Power
Purchase Rate (SFPPR)/ Power Cost Equalization (PCE) Update
Memorandum

Date: **June 24, 2021**

Utility Name TDX Manley Generating, LLC		Utility File No. TA177-72		Date Filed: May 17, 2021	
FILING SUMMARY					
Statutory Deadline: July 1, 2021		Tariff Sheets recommended for approval: Tariff Sheet No. 51 Filed on May 17, 2021 Tariff Sheet No. 54 Filed on May 17, 2021 Tariff Sheet No. 53 Filed on May 17, 2021		Staff Recommended Effective Date: July 1, 2021	
Side-by-side Tariff Sheets attached as Appendix 4					
COPA SUMMARY					
Prior Commission Determination TA Number and Effective Date		Prior Commission Determination (\$/kWh)	Staff Recommended Determination (\$/kWh)	Change (\$/kWh)	
TA176-72 4/2/2021		\$0.2563	\$0.2844	\$0.0281	
SFPPR Summary					
Prior Commission Determination TA Number and Effective Date		Prior Commission Determination (\$/kWh)	Staff Recommended Determination (\$/kWh)	Change (\$/kWh)	
TA176-72 4/2/2021		\$0.2467	\$0.2581	\$0.0114	
PCE SUMMARY					
Prior Commission Determination TA Number and Effective Date		Prior Commission Determination (\$/kWh)	Staff Recommended Determination (\$/kWh)	Change (\$/kWh)	
Residential	TA176-72 4/2/2021	\$0.7206	\$0.7406	\$0.0200	
Commercial	TA176-72 10/1/2020	\$0.7206	\$0.7406	\$0.0200	
Additional Staff Recommendation					

Signed: _____

Keiba Kimp
Keiba Kimp

Utility Tariff Analyst

Reasons for the above recommendations: See Attached Memorandum

	Date, if different from 6/24/2021	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT*
Pickett		<i>RMP</i>		
Kurber		<i>KKT</i>		
Scott		<i>AGS</i>		
Sullivan		<i>DS</i>		
Wilson		<i>JW</i>		

Special Instructions to Staff: _____

* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will be noted at the close of the By Direction Letter or Order.

TDX Manley Generating, LLC.
COPA / SFPPR / PCE Update
Memorandum

To: Robert M. Pickett, Chairman
Keith Kurber II
Antony Scott
Daniel A. Sullivan
Janis W. Wilson

Date: June 24, 2021

File: TA177-72

Utility: TDX Manley Generating, LLC

From: Keiba Kimp

Subject: COPA, PCE, SFPPR

COPA Comments:

Staff reviewed this tariff filing to ensure compliance with applicable regulations (3 AAC 48.200-3 AAC 48.430). Staff also reviewed proposed tariff sheets to ensure the stated text is easily understood, and the tariff provisions clearly and comprehensively describe and address the situation to which the tariff provision applies. Proposed revisions to COPA surcharges are reviewed under 3 AAC 52.504, which requires information supporting entries in the balancing account for the historical period, and support for projections for the future period.

Staff Notes:

The estimated fuel costs decreased from \$33,939.24 to \$24,867.31. The estimated balancing account balance decreased from \$2,843.79 to \$1,055.98. The estimated kWh sales decreased from 144,185 kWh to 101,158 kWh. The upward pressure caused by the increase in the estimated fuel costs and increase in the estimated balancing account balance offsets the downward pressure from the increase in the estimated kWh sales. This results in an increase in TDX Manley Generating, LLC's (TMG) COPA surcharge from \$0.2551/kWh to \$0.2563/kWh.

Staff Recommendation:

The Commission should approve Tariff Sheet No. 54, filed May 17, 2021, by TDX Manley Generating, LLC with TA177-72. The effective date of the tariff sheet should be July 1, 2021.

SFPPR Comments:

TMG's tariff provides that the rate at which the Utility will purchase energy from Qualifying Facilities with a design capacity of 100 kW or less is calculated based upon the amount of diesel generation used in the most recent quarter, updated to reflect the current price of fuel, divided by the number of kWh sold attributable to diesel generation.

Staff Notes:

TMG proposes a SFPPR of \$0.2467/kWh, which is an decrease of \$0.0091/kWh from the previously approved SFPPR of \$0.2558/kWh.

Staff Recommendation:

The Commission should approve Tariff Sheet No. 53, filed May 17, 2021, by TDX Manley Generating, LLC with TA177-72. The effective date of the tariff sheet should be July 1, 2021.

PCE Comments:

Proposed adjustments to PCE amounts are evaluated under 3 AAC 52.600-690. Each participating regulated electric utility is required to submit revised PCE amounts in conjunction with COPA surcharge adjustments. The utility must provide information supporting the request for the PCE amount revision. Adjustments will be made to the PCE amounts if the utility does not achieve the generation efficiency and line loss standards set out in 3 AAC 52.620. If a utility fails to meet the generation efficiency standards (kWh/gallon), Staff will impute the number of gallons that should have been consumed. Because 3 AAC 52.610(f) provides no guidance on the method of imputing the number of gallons that should have been consumed, Staff uses the method prescribed for non-regulated utilities in 3 AAC 52.610(g)(1)(B). Staff reviews the line loss for each reported month to determine if the 12% line loss standard has been met; if it has not, Staff reviews the annual line loss. If Staff determines that both the monthly and annual line loss standards have not been met Staff will impute the number of kWh that should have been sold. The resulting imputed sales and/or generation is then used to calculate an adjusted balancing account balance which is used in determining the total fuel power costs used in the calculation of the PCE amounts.

Staff Notes:

Staff notes that TMG met the regulatory generation efficiency standard but failed to meet the regulatory line loss standard of 12% (see 3 AAC 52.620(b)) in January, February, and March 2021. TMG's line loss in January, February, and March 2021 was 17.12%, 14.93%, and 16.23%, respectively, and its annual line loss was 17.24%, 16.98%, and 17.26% for the same respective months. As a result, Staff increased the kWh sales for January, February, and March 2021 by 2,834 kWh, 1,737 kWh, and 2,142 kWh, respectively, to achieve the 12% line loss standard. These adjustments resulted in an increase of \$180.28, for an adjusted balancing account balance of (\$788.56). With TA177-72, TMG is proposing an increase of \$0.02/kWh to its PCE amount, from \$0.7206/kWh to \$0.7406/kWh.

Staff Recommendation:

The Commission should approve Tariff Sheet No. 51, filed May 17, 2021, by TDX Manley Generating, LLC in TA177-72. The effective date of the tariff sheet should be July 1, 2021.

TDX Manley Generating, LLC
Calculation and Comparison of 500 kWh Bill
TA177-72

Customer Bills	Prior Determination (\$/kWh)	Updated Determination (\$/kWh)	Change
Surcharge (\$/kWh)	\$0.2563	\$0.2844	\$0.0281
PCE (\$/kWh)	\$0.7206	\$0.7406	\$0.0200
500 kWh Customer Bill			
Energy @ \$0.6910/kWh	\$345.50	\$345.50	\$0.00
Customer Charge	\$22.98	\$22.98	\$0.00
Regulatory Cost Charge @ \$0.000654/kWh	\$0.33	\$0.33	\$0.00
Surcharge Amount (\$)	\$128.15	\$142.20	\$14.05
PCE Credit Amount (\$)	(\$360.30)	(\$370.30)	(\$10.00)
Total Customer Bill (\$)	\$136.66	\$140.71	\$4.05

TDX Manley Generating, LLC
COST OF POWER ADJUSTMENT
TA177-72

Calculation of Cost of Power Adjustment			
Line	Description	Prior Determination (\$/kWh)	Updated Determination (\$/kWh)
A	Estimated Per Unit Fuel Cost	\$ 2.45	\$ 2.61
B	Estimated Fuel Consumption	10,154	9,968
C	Estimated Per Unit Power Cost	\$ -	\$ -
B	Estimated Power Consumption	-	-
D	Total Estimated Fuel and Power Costs ((A*B)+(C*D))	\$ 24,867.31	\$ 26,016.61
E	Estimated Balancing Account Balance	\$ 1,055.98	\$ 926.25
F	Total (D+E)	\$ 25,923.29	\$ 26,942.86
G	Estimated Retail Sales	101,158	94,749
H	Projected Cost of Power (F/G)	\$ 0.2563	\$ 0.2844
I	Base Cost of Power	\$ -	\$ -
J	Cost of Power Adjustment Amount (H-I)	\$ 0.2563	\$ 0.2844

Comments	
Staff notes the base cost of power changed to \$0.00 with Order No. U-17-92(14), effective November 1, 2018.	

Actual Costs			
	Prior Determination	Updated Determination	Change
Per Unit Fuel Cost	\$ 2.47	\$ 2.47	\$ -
Total Fuel Cost	\$ 29,056.80	\$ 31,324.15	\$ 2,267.35
Per Unit Power Cost	\$ -	\$ -	\$ -
Total Power Cost	\$ -	\$ -	\$ -
Balancing Account	\$ 1,055.98	\$ 926.25	\$ (129.73)

Actual Revenues			
	Prior Determination	Updated Determination	Change
Sales	116,641	128,279	11,638.00
COPA Surcharge Revenues	\$ (25,459.58)	\$ (32,771.15)	(7,311.57)
Base Cost Revenues	\$ -	\$ -	0.00

Signature: 

Email: bob.pickett@alaska.gov

Signature: 
Keith Kurber II (Jun 24, 2021 08:43 AKDT)

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Signature: 

Email: antony.scott@alaska.gov

Signature: 
Daniel Sullivan (Jun 24, 2021 08:54 AKDT)

Email: daniel.sullivan@alaska.gov

Signature: 
Janis W. Wilson (Jun 24, 2021 15:01 AKDT)

Email: janis.wilson@alaska.gov

TDX Manley Generating, LLC
POWER COST EQUALIZATION
TA177-72

Calculation of Power Cost Equalization			
Line	Description	Prior Commission Determination (\$/kWh)	Updated Commission Determination (\$/kWh)
A	Non-Fuel Power Costs	0.7196	0.7196
B	Fuel Power Costs	0.2452	0.2663
C	Total Power Costs	0.9648	0.9859
D	Total Costs Less \$0.20630/kWh	0.7585	0.7796
E	95% of Total Power Costs	0.7206	0.7406
F	Statutory Maximum [(1-0.20630)*0.95]	0.7540	0.7540
G	Lesser of E or F	0.7206	0.7406
H	Customer Class Rate		
	Residential	0.7765	0.7976
	Large Commercial	0.7225	0.7435
I	Power Cost Equalization - Lesser of G or H		
	Residential	0.7206	0.7406
	Large Commercial	0.7206	0.7406
	Power Cost Equalization - After Reduction	100%	100%
J	Residential	0.7206	0.7406
	Large Commercial	0.7206	0.7406

Amendment to Allowable Costs		
Line	Description	Amount
1	NON-FUEL COSTS - U-17-092(13)	
2	Allowable Non-Fuel Cost	\$ 304,699
3	Twelve Month Total kWh Sales	423,824
4	Regulatory Cost Charge	\$ 0.000654
5		0.7196
6	FUEL COSTS	
7	Current Fuel Price	\$ 2.61
8	Estimated Fuel Consumption (gallons)	9,968
9	Estimated kWh Sales (kWh)	94,749
10	Balancing Account Balance (imputed)	(788.56)
11	Total Fuel Power Costs	0.2663
Surcharge Calculation		
Line	Description	Amount
1	Total Estimated Fuel Power Costs	26,017
2	Balancing Account Balance	\$ (789)
3	Total	\$ 25,228
4	Estimated Retail Sales	94,749
5	Projected Cost of Power	0.2663
6	Base Cost of Power	-
7	Surcharge	\$ 0.2663

Calculation of Average Customer Class Rate per kWh									
Line	kWh (by Block)	Rate (\$/kWh)	Customer Charge	COPA Surcharge (\$/kWh)	RCC (\$/kWh)	Total Rate (\$/kWh)	Total (\$)	Average Rate (\$/kWh)	Average Rate Less \$0.20630/kWh (\$/kWh)
1	Residential & Small Comm.	0.6910	22.98	0.2663	0.000654	0.9580	501.98	1.0040	0.7977
3	Commercial & Self Generation	0.5910	45.96	0.2663	0.000654	0.8580	474.96	0.9499	0.7436

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RCA No. 72 55TH Sheet No. 51
Cancelling 54TH Sheet No. 51

TDX MANLEY GENERATING, LLC

ELECTRIC UTILITY
SCHEDULE OF FEES AND CHARGES
POWER COST EQUALIZATION

The following conditions apply to Power Cost Equalization (PCE) eligibility.

1. Residential customers are eligible for PCE for actual consumption of not more than 500 kilowatt-hours per month.
2. Customers that are classified as local community facilities are eligible for PCE, calculated in the aggregate for each community by the utility for actual consumption of not more than 70 kilowatt-hours per month for each resident of the community. The number of community residents shall be determine under AS 29.60.020.
3. Customers not listed above are not eligible for PCE.

If appropriations are sufficient for payment in full, the amount of Power Cost Equalization to be credited to the bills of all eligible customers rendered on or after the effective date set forth below, is as follows:

<u>Schedule</u>	<u>PCE Amount</u>
Residential Service/Small Commercial	\$0.7206 per kWh I
Commercial/Self-Generation	\$0.7206 per kWh I

Tariff Advice: TA176-72 Effective: **April 2, 2021**
Issued By: TDX Manley Generating, LLC

By: John Lyons Title: TDX Power President



RCA No. 72 56TH Sheet No. 51
Cancelling 55TH Sheet No. 51

TDX MANLEY GENERATING, LLC

ELECTRIC UTILITY
SCHEDULE OF FEES AND CHARGES
POWER COST EQUALIZATION

The following conditions apply to Power Cost Equalization (PCE) eligibility.

1. Residential customers are eligible for PCE for actual consumption of not more than 500 kilowatt-hours per month.
2. Customers that are classified as local community facilities are eligible for PCE, calculated in the aggregate for each community by the utility for actual consumption of not more than 70 kilowatt-hours per month for each resident of the community. The number of community residents shall be determine under AS 29.60.020.
3. Customers not listed above are not eligible for PCE.

If appropriations are sufficient for payment in full, the amount of Power Cost Equalization to be credited to the bills of all eligible customers rendered on or after the effective date set forth below, is as follows:

<u>Schedule</u>	<u>PCE Amount</u>
Residential Service/Small Commercial	\$0.7406 per kWh I
Commercial/Self-Generation	\$0.7406 per kWh I

Tariff Advice: TA177-72 Effective: _____
Issued By: TDX Manley Generating, LLC

By: John Lyons Title: TDX Power President

RCA No. 72 41ST Revision Sheet No. 53Cancelling 40TH Revision Sheet No. 53

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TDX MANLEY GENERATING, LLCELECTRIC UTILITY
SCHEDULE OF FEES AND CHARGES**Small Facility Power Purchase Rate**

The rate at which the Utility will purchase energy from Qualifying Facilities with a design capacity of 100 kW or less is calculated based upon the amount of diesel generation used in the most recent quarter, updated to reflect the current price of fuel, divided by the number of kWh sold in the most recent quarter.

A.	Number of gallons consumed		11,751	gallons
B.	Current fuel price		\$ 2.45	\$/gallon
C.	Total Fuel Costs	A x B	\$ 28,778	
D.	kWh sold		116,641	kWh
E.	Small Facility Power Purchase Rate	C / D	24.67	¢/kWh R

Tariff Advice: TA176-72 Effective: **April 2, 2021**Issued by : **TDX MANLEY GENERATING, LLC**By : John Lyons Title : TDX Power PresidentRCA No. 72 42ND Revision Sheet No. 53Cancelling 41ST Revision Sheet No. 53**TDX MANLEY GENERATING, LLC**ELECTRIC UTILITY
SCHEDULE OF FEES AND CHARGES**Small Facility Power Purchase Rate**

The rate at which the Utility will purchase energy from Qualifying Facilities with a design capacity of 100 kW or less is calculated based upon the amount of diesel generation used in the most recent quarter, updated to reflect the current price of fuel, divided by the number of kWh sold in the most recent quarter.

A.	Number of gallons consumed		12,684	gallons
B.	Current fuel price		\$ 2.61	\$/gallon
C.	Total Fuel Costs	A x B	\$ 33,105	
D.	kWh sold		128,279	kWh
E.	Small Facility Power Purchase Rate	C / D	25.81	¢/kWh I

Tariff Advice: TA177-72 Effective:

Issued by : **TDX MANLEY GENERATING, LLC**By : John Lyons Title : TDX Power President

RCA No. 72 43RD Sheet No. 54
 Cancelling 42ND Sheet No. 54

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TDX MANLEY GENERATING, LLC

ELECTRIC UTILITY
 SCHEDULE OF FEES AND CHARGES

DETERMINATION OF COST OF POWER ADJUSTMENT

1. Estimated fuel costs for 3 months beginning **JANUARY 1, 2021**

Source	Estimated Quantity	Estimated Unit Cost	Estimated Total Cost	
Diesel Power (gal)	10,154	\$2.45	\$ 24,867.31	R
Purchased Power			-	
Total			\$ 24,867.31	R

2. Balance in Estimated Cost of Power Balancing Account
 as of **February 28, 2021** **\$ 1,055.98** R

Balance in Actual Balancing Account
 as of **December 31, 2020** \$ 2,553.57

3. **Total (1) and (2) above** **\$ 25,923.29** I

4. Estimated retail sales for three months (kWh) 101,158 R

5. Projected cost of power [(3)/(4)] \$ 0.2563 I

6. Base cost of power \$ - /kWh

7. Cost of Power Adjustment [(5) - (6)] **\$ 0.2563 /kWh** I

Tariff Advice: TA176-72 Effective: **April 2, 2021**
 Issued By: TDX Manley Generating, LLC
 By: John Lyons Title: TDX Power President

RCA No. 72 44TH Sheet No. 54
 Cancelling 43RD Sheet No. 54

TARIFF SECTION
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TDX MANLEY GENERATING, LLC

ELECTRIC UTILITY
 SCHEDULE OF FEES AND CHARGES

DETERMINATION OF COST OF POWER ADJUSTMENT

1. Estimated fuel costs for 3 months beginning **June 1, 2021**

Source	Estimated Quantity	Estimated Unit Cost	Estimated Total Cost	
Diesel Power (gal)	9,968	\$2.61	\$ 26,016.61	I
Purchased Power			-	
Total			\$ 26,016.61	I

2. Balance in Estimated Cost of Power Balancing Account
 as of **May 31, 2021** **\$ 926.25** R

Balance in Actual Balancing Account
 as of **March 31, 2021** \$ 1,106.53

3. **Total (1) and (2) above** **\$ 26,942.86** I

4. Estimated retail sales for three months (kWh) 94,749 R

5. Projected cost of power [(3)/(4)] \$ 0.2844 I

6. Base cost of power \$ - /kWh

7. Cost of Power Adjustment [(5) - (6)] **\$ 0.2844 /kWh** I

Tariff Advice: TA177-72 Effective:
 Issued By: TDX Manley Generating, LLC
 By: John Lyons Title: TDX Power President